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The Honorable David L. Boren, Chairman Select Committee on Intelligence United States Senate Washington, D.C. 20510

Dear Mr. Chairman:

I am writing in response to your letter of 26 March on the need for effective oversight of covert action programs. We are prepared to work with the Committee on a mutually agreeable approach to achieve your objective, recognizing that care must be taken to ensure the confidentiality of these very sensitive activities is protected from compromise.

We believe your suggestion on the creation of a special audit and investigations unit, integral to the Committee staff, is a particularly promising approach. Our experience with selected special investigations undertaken by the oversight committees has generally been positive. Such a unit would provide a credible independent arm for Committee review of covert action programs, and would have the added advantage of working at the exclusive direction of the Committee which would ensure the appropriate security safeguards for these sensitive activities.

I suggest our staffs jointly examine such an approach in more depth and develop appropriate recommendations and guidelines for our consideration. Carroll Hauver, our Inspector General, and Dan Childs, our Comptroller, are prepared to work with your staff on this matter.

A copy of this letter is also being sent to Vice Chairman Cohen.

Sincerely,

March States

Robert M. Gates
Acting Director of Central Intelligence



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United States Senate

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SELECT COMMITTEE ON INTELLIGENCE WASHINGTON, DC 20510-6476

March 26, 1987

Mr. Robert M. Gates Acting Director of Central Intelligence Central Intelligence Agency Washington, D.C. 20505

Dear Mr. Gates:

As you know, the Senate Select Committee on Intelligence feels a keen sense of responsibility to provide truly effective oversight for covert action activities.

Recent events have highlighted one particular area of concern. That is the need for an independent auditing capability with respect to covert action programs.

Over the years, the Intelligence Community has been cooperative in providing information about the funding and operation of covert activities. However, the fact remains that the Committee must depend solely on the Community to supply the information by which we are to oversee these activities and thereby assure not only the full Senate, but also the American people that the requirements of the law, as well as the stated objectives of these programs, are being fulfilled. This situation, at best, leaves doubts in the minds of many as to the capacity of the Committee to fully and independently perform its oversight function.

Accordingly, the Committee desires to examine alternative methods of independent auditing of covert action programs with a goal toward putting an effective program in place. Proposed alternatives could include either using existing institutions or creating a new independent unit with specific responsibility to report to the Congressional oversight committees along the lines of special units which are tasked in selected areas by subcommittees of the House Appropriations Committee. A full, comprehensive capability would not be necessary, but we do feel the need to be able to make independent spot checks of audits being made by the Community itself. We would be very interested in your views on how this might best be accomplished.

The Committee is mindful of the nature of this undertaking and the great care which will be required in implementing any such system. We must make certain that the confidentiality of sensitive information would in no way

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be compromised. However, we feel strongly that covert action, while an integral part of our intelligence gathering capability, requires the confidence of the American people to be successful. Therefore, the oversight of such actions must be thorough and credible.

We look forward to receiving your suggestions.

Sincerely,

David L. Boren

Chairman

William S. Cohen Vice Chairman